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Cc: Frederick B Cook@DCM@CARAC_EMBA,Gary Maybarduk@ECON@CARAC_EMBA
Bcc:
From: Edward P Messmer@ECON@CARAC_EMBA
Subject: New Minister of Finance - Venezuela
Date: Thursday, April 18, 2002 22:44:22 GMT
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RELEASED IN FULL

Yesterday afternoon, Vice President Diosdado Cabello named Jesus Bermudez Acosta as Minister of Finance, replacing Francisco Uson, who had resigned his portfolio the evening of April 11th to return to active military duty. Although Cabello's announcement named Bermudez "Minister", the notice came over from the Ministry this morning with the title "Acting Minister".

Apparently Uson -- who had been discussing a possible return to the Finance Ministry as late as Tuesday -- was unaware of the decision concerning Bermudez. He showed up at yesterday's Council of Ministers apparently ready to reassume his duties. Bermudez unexpectedly showed up and Cabello made his announcement.

Bermudez joined the Finance Ministry in 1997 and was appointed Director General of Public Finance in 1999. In December 2001, he was promoted to Vice Minister for Financial Mangement when the incumbent, Francisco Bustillos, returned to a senior post in PDVSA.

Bermudez is an economist trained at the Universidad Catolica Andres Bello and has served on the board of directors of the state-owned development corporation CVG, the state-owned electrical company CADAPE, and the state-owned Banco de Comercio Exterior (BANCOEX).

The Embassy has worked with him regularly, particularly in connection with the on-going U.S. Treasury Technical Assistance Program.

The Superintendent of Banking just reported that "non-performing loans" now constitute 15 percent of the banking system's total loan portfolio, an increase of 23 percent for March. Average lending rates are still above 50 percent.

-- EPM